Province of British Columbia

MINISTRY OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

ANNUAL REPORT
1983–1984

84- 3688 /

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1983-84
c 2

British Columbia Cataloguing in Publication Data

British Columbia. Ministry of Industry and Small Business Development.
Annual report. — 1979/80–

Continues: British Columbia. Ministry of Economic Development. Annual report. ISSN 0704-674X
Report year ends Mar. 31
ISSN 0711-5490 = Annual report — Ministry of Industry and Small Business Development.

1. British Columbia. Ministry of Industry and Small Business Development — Periodicals.

H117.B7B73 354.7110682

MINISTRY OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

ANNUAL REPORT
1983–1984

To the Honourable DON PHILLIPS,
Minister of Industry and Small
Business Development, Victoria,
British Columbia

SIR:

I have the honour to submit herewith
the Report of the Ministry of
Industry and Small Business
Development for the fiscal year ended
March 31, 1984.

A. L. PEEL
Deputy Minister
Ministry of Industry and Small
Business Development

To the Honourable R. G. ROGERS
Lieutenant-Governor of
British Columbia

MAY IT PLEASE YOUR HONOUR: I beg to submit the Report of the Ministry of Industry and Small Business Development for the fiscal year ended March 31, 1984.

DON PHILLIPS
Minister of Industry and
Small Business Development

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MINISTRY OVERVIEW

The Ministry's overall objective is to encourage balanced economic growth in all regions of the province through development and implementation of industrial, economic, socio-economic and trade policies.

Ministry operations are conducted by three operating divisions. Trade and Industry, Small Business and Regional Industrial Development, and Economics and Statistics, are each headed by an assistant deputy minister, while administrative matters are the responsibility of a fourth division headed by a director. Overall management and direction is provided by the Deputy Minister.

TRADE AND INDUSTRY DIVISION

Objectives

The Trade and Industry Division pursues four major objectives: to expand and diversify the Province's existing industrial and commercial base, to increase the production and export of British Columbia goods and services, to attract new investment to the Province, and to develop trade policy and trade promotion strategies for the Province.

Achievements

During 1983, the Division undertook an aggressive program in pursuit of these objectives. Division personnel assisted over 400 companies and business associations through Ministry assistance programs. Another 4,000 companies were provided with information or advice. This led to direct sales of $8.5 million and $120 million in projected sales that should provide over 2,000 man-years of employment. Division personnel processed over 350 entrepreneurial immigration proposals that will generate approximately $60 million in new investment. In addition, through promotional activity and investment support by the Division, a further $275 million was committed to new business investments. The total of all investments is expected to result in more than 3,600 man-years of employment.

Business development activities during the year included the identification of investment opportunities that were subsequently presented at several investment opportunity seminars held in key United States cities as well as in Holland, Belgium and in France. A British Columbia office at the Hanover Trade Fair was also staffed, at which time investment opportunities were discussed with over 50 German companies. British Columbia is in the forefront of high technology related applications. To demonstrate our capability, a mission of high technology industries was organized to Southern California and to Arizona.

The Industry Branch worked closely with the Province's existing manufacturers in assisting them to develop their full potential. Under the Ministry's Export Assistance programs, companies explored sales opportunities in Canada, the United States and countries on six continents. Industry sectors represented on trade missions included marine components, offshore technology, sawmill machinery and equipment, secondary wood products, telecommunications equipment, and food and fish products.

Samples of the types of mission activity undertaken are as follows: A group of nine B.C. companies exhibited at Hostex '83, which is the largest food and hospitality show in Canada. Ten B.C. food manufacturers also participated in the Solo Food Products Shows in San Francisco and Los Angeles, which resulted in companies appointing brokers. A trade reception and show for B.C. fish products was organized in Calgary and Edmonton in cooperation with the Fisheries Association of B.C.

A mission was successfully completed by ten B.C. high technology companies to Wescon '83. Visits were also made to companies in the Silicon Valley area. The Cable and Satellite Television (CATV) sector in the U.K. and Europe is poised for exceptional growth over the next ten years. To

ensure that British Columbia's high technology CATV companies are fully cognizant of these opportunities, a mission was undertaken to lead a group of six B.C. companies who are at the leading edge of this technology to the Cable and Satellite TV Conference in Birmingham, England. A high technology and defence supply conference — Hitec '84 — held in Ottawa was attended by a mission of seven companies.

A total of 28 companies representing the secondary wood products sector joined various missions: Furniture West Market '83 in Calgary, Canadian Waterbed Manufacturers Association show in Toronto, Western Home Center in Anaheim, California, and a building material trade mission to Alaska were undertaken. Finally, a mission of five B.C. ocean industry companies went to the Offshore Technology Conference in Houston, Texas, which is the premier conference/exhibit for the offshore oil industry.

Under the Incoming Buyers Program, 23 companies were supported in bringing in buyers from other parts of Canada, the U.S.A., and overseas countries. In addition, the B.C. Fashion and Needle Trades Association was supported in a trade promotion show in Vancouver and in bringing international buyers to attend.

Trade Development Officers led 19 trade missions with 104 companies participating to visit customers or potential buyers in six major regions: North America, Latin America, Australia/New Zealand, ASEAN, China and Hong Kong, Japan and Korea. An additional 14 incoming missions of foreign buyers were sponsored. Furthermore, more than one thousand firms were visited during the course of work to discuss export related issues.

To enhance economic relations, British Columbia's international trade policy was addressed through the presentation of several position papers. Specifically, an inter-provincial position paper, outlining objectives of sectoral free trade negotiations with the United States, examined potential sectors and potential problems with such arrangements. An annual document prepared for the Canada/Japan Business Cooperation Committee outlined British Columbia's trade and investment interest with Japan, and a position paper was prepared for the 24th Annual Premiers' Conference.

Also, the Division continued monitoring the following trade problems: U.S. countervailing duty case against softwood forest products; EC renegotiation of duty free quotas on newsprint; U.K. fish products boycott; Australian trade barriers to smoked salmon; and Canada/Japan voluntary export restrictions on automobiles.

SMALL BUSINESS AND REGIONAL INDUSTRIAL DEVELOPMENT

Objectives

The Division's overall objectives are to facilitate the regional expansion of the Province's industrial base, to help improve and promote a positive investment climate, and to support the development and viability of independently-owned businesses. The Division achieves this by designing, coordinating and implementing a variety of programs, services and projects.

Achievements

March 31, 1984 marked the end of the 10-year federal-provincial General Development Agreement (GDA). However, management and administration continue until all projects are completed and loans are retired or forgiven. Under major initiatives for industrial, travel industry and agricultural development, about $170 million was dedicated to some 1,400 projects. Projects ranged from loans to small manufacturers to support for all-season tourist resort development and industrial parks and malls. In the travel industry sector alone, an additional 10,000 jobs will have been created by 1990. A $50 million revolving fund has been established to meet future industrial infrastructure needs.

Administration and management of the Small Manufacturers Development Assistance (SMDA) program continues. The Division also monitors and guides the B.C. Development Corporation's lending under the LIFT program. Almost 900 projects, representing $65 million and 7,000 jobs, have been supported.

The past year has seen many important independent business initiatives. The 74 Business Information Centres handled over 65,000 enquiries for information and advice. As a part of the ongoing campaign for business planning, an innovative series of video tapes ("Starting a Business") was launched. The "Running Your Own Show" workshops, developed by the Division, were offered to ten community colleges. To help increase entrepreneurial awareness among students, the Division in conjunction with the Ministry of Labour designed and implemented the Student Venture Capital Program. A variety of self-help publications are constantly being updated and revised to meet the ever-growing demand.

The Division is also involved in a large number of other activities that relate to business and industrial growth. They include the Foreign Investment Review Act (FIRA) process, other federal-provincial agreements, the Cooperative Overseas Market Development Program and support to business associations for self-help management development work.

ECONOMICS AND STATISTICS DIVISION

Objectives

The Division is responsible for monitoring the condition of the B.C. economy and the economies of its trading partners, and for providing information, analysis and advice on economic development issues.

Achievements

The accomplishments of the Economic Development Policy Bureau in the past year included work related to North East coal development, the North West Economic Development Studies, the impacts of the Stewart mine closure, BCR debt restructure, B.C. Harbours Board dissolution, and a number of economic and industrial strategy papers.

Major projects on which the Bureau has worked, and in which it will continue to be active, include further planning for North West economic development, north east pulp mill studies, the successor to the federal/provincial General Development Agreement, options for Ocean Falls, a special waste disposal facility, the Alcan Kemano Completion, and the Dome Western LNG project.

The Bureau also provided advice on a range of economic and sectoral policy issues and continued its various sectoral market research and analysis activities.

The Central Statistics Bureau continued to develop and provide economic, business, manpower and population statistics and projections as well as economic and financial models and simulations.

Typical activity included the following:

- updated the British Columbia Economic Accounts for 1962-1982;
- completed a B.C. Occupational Demand model to translate forecasts of economic growth by industry into expected manpower needs by industry and occupation;
- improved the methodology used by Statistics Canada for estimating the population of sub-provincial areas;
- used the newly-modified Input-Output model to assess the economic impacts of various projects such as Expo '86, B.C. Place, etc.

Queen's Printer for British Columbia ©
Victoria, 1984